

MEMORANDUM

NATIONAL SECURITY COUNCIL

CONFIDENTIALINFORMATION

DOS REVIEWED 16 MAR 2011 NO OBJECTION TO DECLASSIFICATION

March 27, 1974

MEMORANDUM FOR: SECRETARY KISSINGER
FROM: RICHARD T. KENNEDY *jeff*
SUBJECT: Military Assistance Funding *AK*

On March 12, 1974, the Department of Defense notified all concerned posts that MAP funding worldwide was being deferred and that emergency funding requirements would be considered on a case-by-case basis. This action was taken because of a projected short fall of MAP funds.

\$253 million of the \$769 million worldwide MAP program was unfunded as of March 21, 1974. The following table shows the extent to which the approved country programs (which have been communicated to the recipient countries) are unfunded. The Jordanian program has been fully funded.

	<u>Program</u> (\$ million)	<u>Funded</u> (\$ million)	<u>Percent Unfunded</u>
Korea	112	63	44
Republic of China	29	8	71
Spain	3	1	71
Indonesia	18	3	85
Philippines	17	1	91
Thailand	36	3	91
Ethiopia	11	1	91
Turkey	64	4	95

The Department of Defense is currently projecting a MAP short fall which could be as much as \$130 million, because of higher than expected costs in Cambodia, lower than expected recoupments, and a shortage of MASF funds which prohibits the Department of Defense from reimbursing the MAP account for some ENHANCE PLUS equipment.

At this point there is still considerable uncertainty about the exact amount of the short fall and hence about the available options. The Security Assistance Program Review Committee will meet on April 9, 1974, to consider the options open to us. Following that meeting we will provide you with our recommendation on the course of action we should follow.

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No Objection To Declassification in Full 2011/04/28 : LOC-HAK-45-3-17-0